# Yukon Liquor Corporation

# 23rd Annual Report

April 1, 1999 to March 31, 2000

# Yukon Liquor Corporation

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**April 1, 1999 – March 31, 2000**

## Our Mission

The Yukon Liquor Corporation, in response to a customer-focused environment, merchandises its products and services in a manner consistent with its economic and social responsibilities

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# Letter of Transmittal

Yukon
Liquor Corporation

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Whitehorse, Yukon, Canada, Y1A 4P9
(867) 667-5245 Fax (867) 393-6306
E-mail: yukon.liquor@gov.yk.ca

OFFICE OF THE PRESIDENT

Our File:
Your File:

The Honourable Sue Edelman
Minister responsible for the
Yukon Liquor Corporation
Executive Council Office
Government of Yukon
P.O. Box 2703
Whitehorse, Yukon
Y1A 2C8

Dear Ms. Edelman:

We have the honour to submit the Annual Report of the Yukon Liquor Corporation for the fiscal year ended March 31, 2000.

We respectfully request that this report be tabled in the Legislative Assembly, in accordance with Section 14 of the *Liquor Act*.

Respectfully submitted:

Bill D. Webber
President and
Chief Executive Officer

Valarie Binder
Chair

KLONDIKE
GOLD RUSH
CENTENNIAL

## President & CEO's Report

The Yukon Liquor Corporation (YLC) continued to administer its mandate under the *Liquor Act* and *Liquor Tax Act* while making progressive changes in the areas of customer service and interaction with the beverage alcohol industry.

Customer service continues to be the focus of the Corporation – in our liquor stores, through service to licensees, in issuing licences and permits and in delivering service and product education to the hospitality industry and to the public.

The Corporation has an important role to play as a corporate citizen. A significant aspect of this role is education about the responsible use of beverage alcohol for the consuming public and for our customers. In conjunction with other government and special interest partners, YLC assisted in the development, promotion and distribution of materials promoting the safe use of beverage alcohol.

Licensing and Development Officers continued to assist licensees in fulfilling their responsibilities through delivery of the B.A.R.S. responsible service program and licensee information sessions.

Our ongoing commitment to foster environmentally sustainable initiatives was augmented through a streamlining and strengthening of our relationships with community recycling depots to further facilitate the return and recycling of beverage containers.

The "Bottle-Your-Own-Wine" products continue to be very popular. Events such as in-store tastings, wine and beer festivals, and scotch tastings have been very successful.

The Limited Time Offer Program continued to provide temporary price reductions on selected product lines.

The 1999/2000 fiscal year represented a year of reasonable financial stability with a slight increase of 126 hectolitres in beverage alcohol consumption, and a $187 thousand increase in sales from 1998/1999. The net income for the year was $4.7 million with remittances to the Yukon territorial government's General Revenue Fund totaling $7.3 million in respect to the 1999/2000 fiscal year for net income and liquor tax.

The Corporation gratefully acknowledges the support and co-operation of the members of the Royal Canadian Mounted Police.

We wish to thank our employees who are committed to Corporation goals of improving efficiency, building on existing or new initiatives, and providing quality customer service balanced with social responsibility and environmentally conscientious activities. Their dedication and commitment enable us to continue to increase efficiency and sustain revenue delivery to the territorial government while maintaining high standards for customer service.

Bill Webber
President and Chief Executive Officer

## Operational Review

The Yukon Liquor Corporation (YLC) is a Yukon Territory crown corporation responsible for the administration of the *Liquor Act*, *Liquor Regulations* and the *Liquor Tax Act*, and for the purchase and sale of all beverage alcohol products in the territory.

The Yukon Liquor Corporation was established in 1977. This year marks its twenty-third anniversary conducting the dual duties of the control and sale of beverage alcohol and the licensing and inspection of premises licensed for the service and consumption of liquor.

YLC operates six (6) liquor stores where consumers are offered an extensive and varied product selection from countries around the world. Eighty-four new listings were included in our 900 standard product line this year.

Over the past 12 months, we accomplished our goals for efficient inventory management. Through the special order feature, our customers may purchase from a vast selection of domestic and imported liquor products not carried in our regular inventory. This year we processed 116 special orders.

For the fiscal year, the Yukon Liquor Corporation issued a total of 350 licenses for the sale of spirits, wine and beer. In addition to annual licence renewals, this figure represents issuance of 16 new licences and 14 licences transferred in conjunction with changes in proprietorship of 10 businesses.

As well, 300 Special Occasion and 166 Reception permits were issued.

The operational and administrative duties of the Corporation are conducted through its three branches; Corporate Services, Operations and Purchasing, and Licensing and Development.

**Corporate Services**

The **Finance & Systems** section provides for the financial control and reporting needs of the Yukon Liquor Corporation.

This section is also responsible for the enhancement of current information systems and the development of any new systems as required.

The Corporation's active participation in the Yukon government's Year 2000 Task Force ensured a smooth transition to the new year. In addition, this effort also ensured standards were maintained at all workstations.

A new Windows©-based point of sale system was implemented in liquor stores in late fall 1999. This new system utilizes scanners and thermal printers and provides a direct improvement in customer service at the sales counters.

The **Administration** unit provides YLC with various essential support services. Responsibilities and services of this section include electronic and tele-communications, records management, contract administration, receptionist functions, and other general support services to all branches of the Corporation

The **Human Resources** unit provides a support service function to all three branches on a territory-wide basis, ensuring the Yukon Liquor Corporation meets its human resource needs while complying with territorial government legislation and guidelines.

In conjunction with the Public Service Commission, the Human Resources unit meets its responsibility by providing for the selection, placement, salary administration, and career development of Corporation employees.

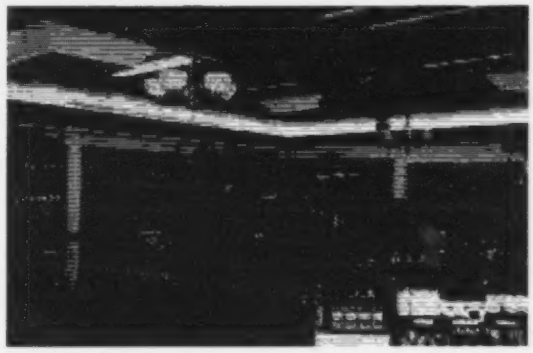
The **Policy & Communications** unit conducts research, analysis and development on policy issues, programs, services, procedures and organizational structures.

This unit also co-ordinates media communication initiatives and works in partnership with other government departments and community stakeholders to address issues surrounding alcohol misuse.

This year YLC collaborated in the development of a six-part radio drama focusing attention on the issues of family violence and violence against women.

The unit also worked closely with a Yukon-wide, community-based, substance abuse prevention coalition to adopt a mascot. "Dallton" was active promoting healthy lifestyle options at various community events.

The monthly Licensee Information Bulletin introduced in 1994 continues to provide opportunities to communicate Corporation and industry initiatives and clarify new or changing policies.



## Operations and Purchasing

The Operations and Purchasing Branch provides service to the public and to licensees by:

- operating the Corporation's network of six (6) retail stores;
- operating the central warehouse and distribution centre in Whitehorse;
- providing product and service information to customers and staff in the monthly Licensee Information Bulletin;
- offering spirit, wine and beer products that are unique to the Yukon;
- applying stringent procedures to ensure quality control;
- developing and implementing proposals for the improvement of facilities and services offered to customers;
- purchasing beverage alcohol products in response to evolving consumer demand;

- placing special orders for unlisted products on behalf of licensees and individuals;
- operating a Bottle Your Own Wine (BYOW) facility at the Whitehorse liquor store providing value, selection and quality to our retail customers; and
- participating in the beverage container deposit and refund system to support and encourage recycling.

During 1999/2000 progressive marketing and merchandising techniques continued to be developed and implemented, including shelf management, merchandise display and in-store tasting programs. YLC also continues to work closely with suppliers in the development of various merchandising programs.

The Limited Time Offer Program continued to be very popular with our customers. Temporary price reductions on selected standard and specialty product lines offer cost benefits to bargain shoppers.

Corporation staff continued to operate territorial government agencies annexed to liquor store operations in communities outside Whitehorse. The territorial agents provide services for a variety of territorial government departments including Motor Vehicles, Renewable Resources and Justice.

## Licensing and Development

The Licensing and Development Branch is responsible for the licensing and inspection of facilities where liquor is sold/served to members of the general public.

This Branch is also mandated with interpreting and enforcing the *Liquor Act* and *Regulations* as required to reach our ultimate goal of socially responsible service of beverage alcohol throughout Yukon.

A full-day information session, a companion initiative to the B.A.R.S. (Be A Responsible Server) program was held for licensees. Formal B.A.R.S programs were delivered to a total of 98 participants at 9 seminars in 3 Yukon communities.

The majority of server training sessions were delivered to volunteers with non-profit organizations. The B.A.R.S. for Permit Holders is delivered prior to alcohol permitted events to ensure volunteers working at these functions are fully aware of their legal responsibilities as alcohol providers.

Liquor inspectors maintained a rigorous schedule of full premise and walk-through inspections to licensed establishments and permitted functions. These inspections focus on aspects of both operations and facilities.

Licensing and Development continues to work closely with other territorial and federal enforcement agencies such as R.C.M. Police, fire and health inspections services, as well as licensing and inspection agencies across Canada.

Twenty-nine applications for new liquor licences were received and twenty-three were approved during the current year. These figures do not necessarily reflect all those who expressed interest in licensing matters.

## Comparative Statement of Sales by Product Type
[$000's]

| | | 1999/2000 | | 1998/1999 | |
|---|---|---|---|---|---|
| | | $ | % | $ | % |
| Rye | Domestic | 1,341 | 7.1 | 1,386 | 7.4 |
| | Imported | 75 | 0.4 | 76 | 0.4 |
| Scotch | Domestic | 0 | 0.0 | 0 | 0.0 |
| | Imported | 410 | 2.2 | 417 | 2.3 |
| Rum | Domestic | 926 | 4.9 | 979 | 5.3 |
| | Imported | 45 | 0.2 | 49 | 0.3 |
| Gin | Domestic | 71 | 0.4 | 66 | 0.3 |
| | Imported | 96 | 0.5 | 84 | 0.5 |
| Brandy | Domestic | 15 | 0.1 | 13 | 0.1 |
| | Imported | 109 | 0.6 | 104 | 0.6 |
| Liqueur | Domestic | 220 | 1.2 | 216 | 1.2 |
| | Imported | 722 | 3.9 | 702 | 3.8 |
| Vodka | Domestic | 1,232 | 6.6 | 1,192 | 6.4 |
| | Imported | 86 | 0.5 | 84 | 0.5 |
| Coolers | Domestic | 466 | 2.5 | 514 | 2.8 |
| | Imported | 15 | 0.1 | 13 | 0.0 |
| Other | Domestic | 25 | 0.1 | 27 | 0.1 |
| | Imported | 110 | 0.6 | 99 | 0.5 |
| **Total Spirits** | | **5,964** | **31.9** | **6,021** | **32.5** |
| Wine | Domestic | 1,098 | 5.9 | 1,081 | 5.9 |
| | Imported | 1,440 | 7.7 | 1,336 | 7.2 |
| **Total Wine** | | **2,538** | **13.6** | **2,417** | **13.1** |
| Beer | Domestic | 9,406 | 50.3 | 9,238 | 49.9 |
| | Imported | 249 | 1.3 | 285 | 1.5 |
| Cider | Domestic | 549 | 2.9 | 558 | 3.0 |
| | Imported | 0 | 0.0 | 0 | 0.0 |
| **Total Beer & Cider** | | **10,204** | **54.5** | **10,081** | **54.4** |
| **Total** | | **$ 18,706** | **100.0** | **$ 18,519** | **100.0** |

## Sales by Product Type

### Why does a 12 bottle case of domestic beer cost $15.45?

| | |
|---|---|
| Producer | $4.10 |
| Federal Duty & Excise Tax | $1.20 |
| Freight | $.98 |
| YLC Mark-up | $5.70 |
| Yukon Liquor Tax | $1.44 |
| Refundable Deposits | $1.20 |
| G.S.T. | $.83 |

### Why does a typical 750 ml bottle of spirits cost $21.60?

| | |
|---|---|
| Producer | $3.52 |
| Federal Duty & Excise Tax | $3.32 |
| Freight | $.16 |
| YLC Mark-up | $10.86 |
| Yukon Liquor Tax | $2.14 |
| Refundable Deposit | $.25 |
| Recycling Fee | $.10 |
| G.S.T. | $1.25 |

### Why does a typical 750 ml bottle of wine cost $8.95?

| | |
|---|---|
| Producer | $2.52 |
| Federal Duty & Excise Tax | $.38 |
| Freight | $.17 |
| YLC Mark-up | $4.15 |
| Yukon Liquor Tax | $.87 |
| Refundable Deposit | $.25 |
| Recycling Fee | $.10 |
| G.S.T. | $.51 |

**Schedule of Spirits, Wine and Beer & Cider Sales by Store**
**[$000's]**

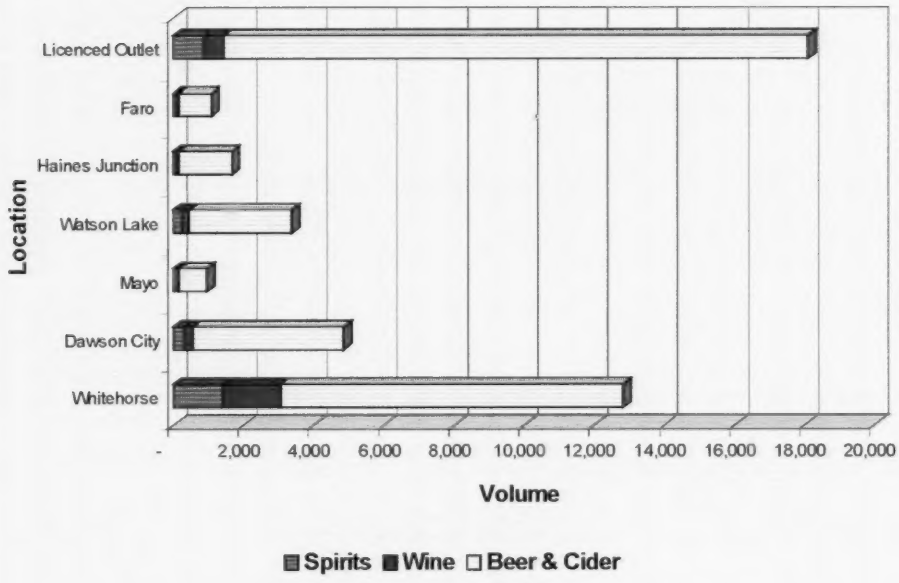
| | Spirits | Wine | Beer & Cider | 1999/2000 | 1998/1999 |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| Whitehorse | 2,785 | 1,427 | 2,706 | 6,918 | 6,789 |
| Dawson City | 543 | 234 | 1,190 | 1,967 | 1,964 |
| Mayo | 188 | 64 | 218 | 470 | 412 |
| Watson Lake | 434 | 193 | 811 | 1,438 | 1,374 |
| Haines Junction | 172 | 59 | 419 | 650 | 634 |
| Faro | 129 | 66 | 261 | 456 | 508 |
| Licenced Outlet | 1,713 | 495 | 4,599 | 6,807 | 6,838 |
| **Total 1999/2000** | **5,964** | **2,538** | **10,204** | **18,706** | |
| % of Sales | 31.9 | 13.6 | 54.5 | 100.0 | |
| **Total 1998/1999** | **6,021** | **2,417** | **10,081** | | **$ 18,519** |
| % of Sales | 32.5 | 13.1 | 54.4 | | 100.0 |

**Schedule of Hectolitres of Liquor Sold**

| | Spirits | Wine | Beer & Cider | 1999/2000 | 1998/1999 |
|---|---|---|---|---|---|
| Whitehorse | 1,408 | 1,616 | 9,785 | 12,809 | 12,674 |
| Dawson City | 274 | 265 | 4,304 | 4,843 | 4,810 |
| Mayo | 95 | 72 | 786 | 953 | 836 |
| Watson Lake | 219 | 218 | 2,931 | 3,368 | 3,187 |
| Haines Junction | 87 | 66 | 1,513 | 1,666 | 1,647 |
| Faro | 65 | 75 | 941 | 1,081 | 1,258 |
| Licenced Outlet | 868 | 562 | 16,650 | 18,080 | 18,262 |
| **Total 1999/2000** | **3,016** | **2,874** | **36,910** | **42,800** | |
| **Total 1998/1999** | **3,138** | **2,824** | **36,712** | | **42,674** |
| % Increase/(Decrease) | (3.9)% | 1.8% | 0.5% | | 0.3% |

Note: One hectolitre equals 22 imperial gallons

**Hectolitres Sold by Store**



## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of the Yukon Liquor Corporation is responsible for establishing and maintaining a system of books, records, internal controls and management practices designed to:

- provide reasonable assurance that reliable financial information is produced;
- safeguard and control the assets of the Corporation;
- ensure that the transactions of the Corporation are in accordance with relevant legislation, and by-laws of the Corporation;
- ensure that the resources of the Corporation are managed efficiently and economically; and,
- ensure that the operations of the Corporation are carried out effectively.

Management is also responsible for the integrity and objectivity of the financial statements of the Corporation. The accompanying financial statements, which include amounts based on management's best estimates as determined through experience and judgement, are in accordance with generally accepted accounting principles.

These financial statements have been independently audited by the Corporation's external auditor, the Auditor General of Canada, and his report is included in this report.

Bill D. Webber
President & CEO

Bob Morris
Director, Corporate Services

June 2, 2000

AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

**AUDITOR'S REPORT**

To the Executive Council Member responsible
for the Yukon Liquor Corporation

I have audited the balance sheet of the Yukon Liquor Corporation as at March 31, 2000 and the statements of income and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the *Liquor Act*, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept and the financial statements are in agreement therewith, and the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with the *Liquor Act* and regulations, the *Liquor Tax Act*, the *Financial Administration Act* and regulations and the by-laws of the Corporation.

Sheila Fraser

Sheila Fraser, FCA
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
June 2, 2000

YUKON LIQUOR CORPORATION
**Balance Sheet**
as at March 31, 2000

ASSETS

| | 2000 | 1999 |
|---|---|---|
| | (thousands of dollars) | |
| Current | | |
| Cash | $ 1,550 | $ 1,626 |
| Accounts receivable (Note 3) | 169 | 87 |
| Inventories | 1,916 | 1,942 |
| | 3,635 | 3,655 |
| Capital assets (Note 4a) | 3,291 | 3,632 |
| | $ 6,926 | $ 7,287 |

LIABILITIES & EQUITY

| | | |
|---|---|---|
| Current | | |
| Accounts payable (Note 3) | $ 1,693 | $ 1,310 |
| Due to the Government of the Yukon (Note 5) | 1,009 | 979 |
| Deferred revenue | 90 | 95 |
| | 2,792 | 2,384 |
| Accrued employee termination benefits | 843 | 771 |
| | 3,635 | 3,155 |
| Commitments (Note 8) | | |
| Equity (Note 6) | 3,291 | 4,132 |
| | $ 6,926 | $ 7,287 |

Approved by Management:

President and Chief Executive Officer

Director, Corporate Services

The accompanying notes are an integral part of the financial statements

YUKON LIQUOR CORPORATION
**Statement of Income**
for the year ended March 31, 2000

| | 2000 | 1999 |
|---|---|---|
| | (thousands of dollars) | |
| Sales | | |
| Beer | $ 10,204 | $ 10,078 |
| Spirits | 5,964 | 6,023 |
| Wine | 2,538 | 2,418 |
| | 18,706 | 18,519 |
| Cost of goods sold | 8,942 | 8,807 |
| Gross profit | 9,764 | 9,712 |
| Expenses | | |
| Salaries and benefits | 3,390 | 3,265 |
| Rent, utilities and maintenance | 698 | 755 |
| Amortization | 403 | 338 |
| Cartage | 187 | 182 |
| General and office supplies | 98 | 131 |
| Travel and communications | 135 | 129 |
| Professional services | 115 | 88 |
| Miscellaneous | 77 | 72 |
| Board expenses | 38 | 32 |
| | 5,141 | 4,992 |
| Operating Income | 4,623 | 4,720 |
| Other Income | | |
| Fees, permits & licences | 110 | 110 |
| Miscellaneous | (11) | (26) |
| | 99 | 84 |
| Net Income | $ 4,722 | $ 4,804 |

The accompanying notes are an integral part of the financial statements

YUKON LIQUOR CORPORATION
**Statement of Cash Flows**
for the year ended March 31, 2000

| | 2000 | 1999 |
|---|---|---|
| | (thousands of dollars) | |
| Cash flows from operating activities: | | |
| Net income for the year | $ 4,722 | $ 4,804 |
| Adjustment for amortization | 403 | 338 |
| | 5,125 | 5,142 |
| Changes in non-cash working capital | | |
| (Increase) decrease in accounts receivable | (82) | 24 |
| (Increase) decrease in inventories | 26 | (353) |
| Increase (decrease) in due to the Government of the Yukon | 30 | (70) |
| Increase in accounts payable | 383 | 468 |
| Decrease in deferred revenue | (5) | (8) |
| Increase in accrued employee termination benefits | 72 | 145 |
| | 5,549 | 5,348 |
| Cash flows from investing activities | | |
| Acquisition of capital assets | (62) | (139) |
| Cash flows financing activities | | |
| Adjusted net income remitted to the Government of the Yukon | (5,063) | (5,003) |
| Repayment of advance to the Government of the Yukon | (500) | - |
| | (5,563) | (5,003) |
| Decrease in cash during the year | (76) | 206 |
| Cash at the beginning of the year | 1,626 | 1,420 |
| Cash at the end of the year | $ 1,550 | $ 1,626 |

The accompanying notes are an integral part of the financial statements

# YUKON LIQUOR CORPORATION

**Notes to the Financial Statements**
March 31, 2000

1. Authority and Operations

The Corporation, established in 1977, under the *Liquor Act*, is responsible for the purchase, distribution and sale of liquor within the Territory. It is responsible for controlling the sale of liquor through licensed outlets and enforcing all matters related to the *Act*.

In accordance with the *Liquor Act*, the net income for the year, before amortization, less amounts expended on capital assets, is remitted to the Government of the Yukon on a monthly basis.

The Corporation is required by the *Liquor Tax Act* to collect liquor taxes on behalf of the Government of the Yukon and to remit these taxes on a monthly basis. The current rate is 12%, and is applied on the amount the Corporation would otherwise charge for its products.

In accordance with the provisions of the Beverage Container Regulations under the *Environment Act*, the Corporation collects various beverage container deposits and recycling surcharges on the sale of its products. These amounts are remitted to the Recycling Fund on a monthly basis after deducting deposit refunds paid and fees earned under the program.

The employees of the Corporation are paid by the Government of the Yukon. The Corporation reimburses the Government on a monthly basis for salaries and benefits expenses paid.

2. Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles. The more significant accounting policies are as follows:

**Inventories**
Inventories are comprised of alcoholic beverages for resale and are valued at the lower of landed cost at Whitehorse, or market.

**Amortization**
Amortization of capital assets owned by the Corporation is calculated by the straight-line method over the estimated useful life of the assets as follows:

| | |
|---|---|
| Buildings | 20 years |
| Furniture and office equipment | 5 years |
| Equipment | 5 years |
| Systems equipment & software | 3 years |
| Leasehold improvements | 4 years or remaining term of lease |

**Termination benefits**
The Corporation accrues annually in its accounts the estimated liabilities for severance pay and sick leave, which are payable to its employees on termination.

**Services provided without charge**
The Corporation does not record the value of services it receives or provides without charge. These services include the following:

YUKON LIQUOR CORPORATION
**Notes to the Financial Statements**
March 31, 2000

2. Accounting Policies (continued)

**Services provided without charge (continued)**

- capital assets such as liquor store buildings, store and warehouse improvements, furniture and equipment acquired by the Government of the Yukon until March 31, 1990 for use by the Corporation, see Note 4 b);
- services, primarily accommodation, provided by the Government of the Yukon;
- services provided by the Corporation to the Government in its capacity of Territorial Agent in localities outside of Whitehorse;
- annual audit provided by Auditor General's Department.

**Pensions**
The Corporation and its employees, who are deemed to be employees of the Government of the Yukon, make contributions to the Public Service Superannuation Plan administered by the Government of Canada. Contributions to the Plan are required from both the employees and the Corporation. These contributions represent the Corporation's total pension obligation and are recognized in the accounts on a current basis.

3. Fair Values of Financial Instruments

Accounts receivable and accounts payable are incurred in the normal course of business. All are due on demand and are non-interest bearing. The carrying amounts of each approximate fair values because of their short maturity.

4. Capital Assets

a) Capital assets purchased by the Corporation after March 31, 1990 are as follows:

| | 2000 | | | 1999 |
|---|---|---|---|---|
| | Cost | Accumulated Amortization | Net book Value | Net book Value |
| | (thousands of dollars) | | | |
| Land | $ 209 | $ — | $ 209 | $ 209 |
| Buildings | 4,373 | 1,492 | 2,881 | 3,099 |
| Equipment | 313 | 214 | 99 | 87 |
| Systems equipment and software | 508 | 431 | 77 | 193 |
| Leasehold improvements | 51 | 38 | 13 | 27 |
| Furniture and office equipment | 57 | 45 | 12 | 17 |
| | $ 5,511 | $ 2,220 | $ 3,291 | $ 3,632 |

YUKON LIQUOR CORPORATION
**Notes to the Financial Statements**
March 31, 2000

4. Capital Assets (continued)

b) The un-amortized cost of capital assets acquired by the Government of the Yukon until March 31, 1990 and held by the Corporation is as follows:

| | 2000 | 1999 |
|---|---|---|
| | (thousands of dollars) | |
| Liquor store buildings | $ 978 | $ 978 |
| Store and warehouse improvements | 1,167 | 1,167 |
| Equipment | 375 | 375 |
| Furniture and office equipment | 104 | 104 |
| | $ 2,624 | $ 2,624 |

5. Due to the Government of the Yukon

| | 2000 | 1999 |
|---|---|---|
| | (thousands of dollars) | |
| Adjusted net income due (Note 7a)) | $ 324 | $ 198 |
| Reimbursements due for salaries paid to employees on behalf of the Corporation | 456 | 547 |
| Liquor tax (Note 7b)) | 176 | 148 |
| Net remittances due to the Recycling Fund | 53 | 86 |
| Net due at the end of the year | $ 1,009 | $ 979 |

6. Equity

This amount represents the sum of the net book value of capital assets purchased by the Corporation after March 31, 1990, $3,291,000 (1999 - $3,632,000) which the Government of the Yukon has provided to the Yukon Liquor Corporation on a cumulative basis. During the year, the Corporation repaid a $500,000 advance provided by the Government of the Yukon.

7. Related party transactions

a) **Adjusted Net Income**
Calculation of adjusted net income due to the Government of the Yukon for the year (Note 1):

| | 2000 | 1999 |
|---|---|---|
| | (thousands of dollars) | |
| Balance due at the beginning of the year | $ 198 | $ 517 |
| Net income | 4,722 | 4,804 |
| Capital expenditures | (62) | (139) |
| Capital asset amortization | 403 | 338 |
| Adjusted net income due to the Government of the Yukon | 5,063 | 5,003 |

YUKON LIQUOR CORPORATION
**Notes to the Financial Statements**
March 31, 2000

| | | |
|---|---|---|
| Less: remitted during the year | (4,937) | (5,322) |
| Balance due at the end of the year | $ 324 | $ 198 |

7. Related party transactions (continued)

b) **Liquor tax**
Liquor tax collected and due to the Government of the Yukon for the year (Note 1):

| | 2000 | 1999 |
|---|---|---|
| | (thousands of dollars) | |
| Balance due at the beginning of the year | $ 148 | $ 145 |
| Liquor tax collected during the year | 2,245 | 2,223 |
| Less: remitted during the year | (2,217) | (2,220) |
| Balance due at the end of the year | $ 176 | $ 148 |

c) **Other transactions**
The value of services provided without charge by the Government of the Yukon to the Corporation is estimated to be $552,634 (1999 - $544,000). The value of services provided without charge by the Corporation to the Government is estimated to be $360,000 (1998 - $350,000).

8. Lease commitments

The Corporation has the following commitments for annual rentals of leased premises:

| | |
|---|---|
| 2001 | 18,000 |

9. Comparative amounts

Certain of the 1998-99 amounts have been reclassified to conform with the current year's presentation.

## Licences & Permits

| LIQUOR LICENCES ISSUED | 1999/2000 | 1998/1999 (restated) |
|---|---|---|
| Liquor Cocktail Lounge | 65 | 65 |
| Beer Tavern | - | - |
| Dining Room | 63 | 69 |
| Restaurant Beer and Wine | 43 | 42 |
| Liquor Off Premises | 76 | 80 |
| Beer Off Premises | 23 | 24 |
| Club Liquor | 11 | 13 |
| Beer Canteen | - | - |
| Special Liquor | 32 | 31 |
| Aircraft/Ship Liquor | 4 | 3 |
| Room Service Liquor | 22 | 23 |
| Mess Liquor | 1 | 1 |
| Sport Stadium | 1 | 1 |
| Recreation Facility | 7 | 6 |
| Brewer's | 1 | 1 |
| Brewer's Retail | 1 | 1 |
| TOTAL | **350** | **360** |

| PERMITS ISSUED | | |
|---|---|---|
| Reception Permits | 166 | 168 |
| Special Occasion Permits | 300 | 279 |
| TOTAL | **466** | **447** |

**SUMMARY OF PERMITS ISSUED BY LOCATION DURING 1999/2000**

| | Reception | Special Occasion |
|---|---|---|
| Whitehorse Office | 110 | 193 |
| Faro Store | 1 | 18 |
| Mayo Store | 1 | 8 |
| Watson Lake Store | 3 | 15 |
| Haines Junction Store | 13 | 40 |
| Dawson City Store | 38 | 26 |
| TOTAL | **166** | **300** |

## SUMMARY OF LICENCE INFRACTIONS

During the 1999/2000 fiscal year seven (7) liquor licence suspensions were upheld and ten (10) letters of warning were issued for a variety of offences under the *Liquor Act* and *Regulations* which included:

- Permitting riotous or disorderly conduct on premises
- Permitting intoxicated patrons to enter or remain on premises
- Over-serving patrons
- Minors on premises
- Sale of alcohol to minors
- Sale of liquor to intoxicated persons or persons appearing to be intoxicated
- Sale/service of liquor after posted hours
- Sale of alcohol in unlicensed section of licensed premises
- Violation of entertainment policies
- Failure to have management on premises
- Failure to maintain premises health and safety standards
- Storage of liquor in an unauthorized area
- Failure to enforce offsales policy